

## **Intent to Purchase Outline**

The Company offers to purchase Tim Wilde's entire ownership stake in Dynamic Network Services, Inc. and to terminate its consulting arrangement with Tim Wilde.

## **Transition Process Overview**

The transition plan is broken into three phases (Agreement, Closing, and Transition). The dates for these phases are below:

- ☐ Agreement: Ongoing
- ☐ Closing: February 1, 2006
- ☐ Completion of Transition: May 1, 2006

### **Agreement Phase**

All parties discuss agreement points and work with Michael Refolo to draft a document that is agreeable to all parties. Concurrently, a system administration position is created and potential candidates are screened.

### **Closing Phase**

The documents required are signed. A new hire is selected to perform System Administration. A conversation between Chris Smith and Tim Wilde, then Board of Directors occurs to encourage Chris to stay with the Company. A company announcement is made to all employees.

#### **What Tim Wilde will provide at Closing:**

- ☐ An assignment confirming the Company's ownership of all intellectual property developed by Tim in the course of his work for the Company, effective May 1, 2006
- ☐ Clear and free title to all (36) outstanding shares, effective May 1, 2006
- ☐ Non-compete for a duration of four years, effective May 1, 2006
- ☐ Non-disclosure for a duration of four years, effective May 1, 2006
- ☐ Mutual Release of Consulting and Shareholders Agreements, effective May 1, 2006

#### **What the Company will provide at Closing:**

- ☐ Payment of \$55,000 to Tim Wilde
- ☐ Mutual Release of Consulting and Shareholders Agreements, effective May 1, 2006
- ☐ Provide security interest, effective May 1, 2006 to Tim Wilde, for those shares purchased, decreasing proportionately to remaining balance of payment.

### **Transition Phase**

All parties work to train new hire and transition job duties and responsibilities as appropriate over a three month period.

**What Tim Wilde will provide throughout the Transition Phase:**

- ☐ Documentation and training of replacement staff

**What the Company will provide upon completion of the Transition Phase:**

- ☐ Payment of \$55,000 to Tim Wilde
- ☐ \$140,000/year paid monthly, 20% increase each year for six years
- ☐ \$1.5M total (see payment schedule, below)
- ☐ Commencement of monthly payments
- ☐ Email forwarding for four years
- ☐ Reasonable amount of Company Services for personal use for four years
- ☐ Employment references
- ☐ Transfer of ownership of computer equipment in personal possession
- ☐ K-1 Tax liability payments for tax years 2005 and 2006

**Responsibilities documented and transferred**

- ☐ New SA:
  - ☐ System administration and installation
  - ☐ Level 3 support
  - ☐ Level 2 abuse
  - ☐ Server deployments
  - ☐ Scripting
  - ☐ Network management
  - ☐ On-call rotation
- ☐ Jeremy:
  - ☐ Support/sales policy and oversight
  - ☐ Any remaining official Company accounts/relationships
  - ☐ Merchant account, Tucows, American Express, Vendor accounts
  - ☐ Merchant account security compliance (shared with Tom)
- ☐ Tom:
  - ☐ Abuse policy setting / oversight
  - ☐ Merchant account security compliance (shared)
  - ☐ Hardware
  - ☐ Database administration
  - ☐ Network, hardware, and systems administration oversight

### Payment Schedule

Date of Check	Amount
1-Feb-06	\$55,000
1-May-06	\$55,000
1-May-06	\$11,667
1-Jun-06	\$11,667
1-Jul-06	\$11,667
1-Aug-06	\$11,667
1-Sep-06	\$11,667
1-Oct-06	\$11,667
1-Nov-06	\$11,667
1-Dec-06	\$11,667
1-Jan-07	\$11,667
1-Feb-07	\$11,667
1-Mar-07	\$11,667
1-Apr-07	\$11,667
1-May-07	\$14,000
1-Jun-07	\$14,000
1-Jul-07	\$14,000
1-Aug-07	\$14,000
1-Sep-07	\$14,000
1-Oct-07	\$14,000
1-Nov-07	\$14,000
1-Dec-07	\$14,000
1-Jan-08	\$14,000
1-Feb-08	\$14,000
1-Mar-08	\$14,000
1-Apr-08	\$14,000
1-May-08	\$16,800
1-Jun-08	\$16,800
1-Jul-08	\$16,800
1-Aug-08	\$16,800
1-Sep-08	\$16,800
1-Oct-08	\$16,800
1-Nov-08	\$16,800
1-Dec-08	\$16,800
1-Jan-09	\$16,800
1-Feb-09	\$16,800
1-Mar-09	\$16,800
1-Apr-09	\$16,800
1-May-09	\$20,160
1-Jun-09	\$20,160
1-Jul-09	\$20,160
1-Aug-09	\$20,160

1-Sep-09	\$20,160
1-Oct-09	\$20,160
1-Nov-09	\$20,160
1-Dec-09	\$20,160
1-Jan-10	\$20,160
1-Feb-10	\$20,160
1-Mar-10	\$20,160
1-Apr-10	\$20,160
1-May-10	\$24,192
1-Jun-10	\$24,192
1-Jul-10	\$24,192
1-Aug-10	\$24,192
1-Sep-10	\$24,192
1-Oct-10	\$24,192
1-Nov-10	\$24,192
1-Dec-10	\$24,192
1-Jan-11	\$24,192
1-Feb-11	\$24,192
1-Mar-11	\$24,192
1-Apr-11	\$24,192
1-May-11	\$29,030
1-Jun-11	\$29,030
1-Jul-11	\$29,030
1-Aug-11	\$29,030
1-Sep-11	\$29,030
1-Oct-11	\$29,030
1-Nov-11	\$29,030
1-Dec-11	\$29,030
1-Jan-12	\$29,030
1-Feb-12	\$29,030
1-Mar-12	\$29,030
1-Apr-12	\$29,030
Total Payment:	\$1,500,189